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C O N F I D E N T I A L SECTION 01 OF 02 UNVIE VIENNA 000613

SIPDIS

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TAGS: [KNNP](#) [AORC](#) [IAEA](#) [IR](#)

SUBJECT: IAEA/IRAN: NO COOPERATION, NO PROGRESS, NO STOP
TO ENRICHMENT

Classified By: Ambassador Gregory L. Schulte for reasons 1.4 b and d

Summary

11. (SBU) The IAEA Director General's (DG) November 19 report on Iran-consisting of only four pages-provides updated figures for centrifuge activities at Natanz, highlights Iran's continued rejection of the IAEA's request to visit the Heavy Water Research Reactor at Arak (based on Iran's claimed unilateral suspension of "Code 3.1" of its Subsidiary Arrangement), and briefly references the lack of substantive progress made on investigating possible military dimensions to Iran's nuclear program. The report specifies that Iran has: not suspended enrichment- and heavy water-related activities, failed to provide the IAEA with necessary information or access to people and facilities, and continued to refuse the implementation of the Additional Protocol (AP). It puts the onus on Tehran to break the impasse. End Summary.

Current Nuclear Activities

12. (SBU) The DG's report states that Iran has not suspended its enrichment and heavy water-related activities, as required by UNSC and Board of Governors resolutions. Iran continues to operate 3820 IR1 centrifuges on uranium hexafluoride (UF6) gas at the Fuel Enrichment Plant (FEP) at Natanz and 13 centrifuges consisting of IR1, IR2, and IR3s on UF6 gas at the pilot FEP at Natanz, all of which is the same as was reported in September. Installation of centrifuges to complete a second 3000-centrifuge unit has continued, and Iran informed the IAEA that it plans to begin installation of centrifuges in the third 3000-centrifuge unit in 2009. Iran continues construction of the Fuel Manufacturing Plant (FMP) at Esfahan. It has not produces significantly more UF6 at the Uranium Conversion Facility (UCF) at Esfahan due to the shut down for routine maintenance.

Iran's Failure to Meet Code 3.1

13. (SBU) The DG's report calls attention to Iran's decision to invoke its unilateral suspension of the implementation of Code 3.1 of its Subsidiary Arrangements by objecting to the IAEA's request to conduct a design information verification (DIV) at the IR-40 Heavy Water Research Reactor at Arak and not providing the IAEA with preliminary design information for the nuclear power plant to be built at Darkhovin. The report usefully notes that the IAEA reminded Iran that it does not accept Iran's rejection of Code 3.1 and that "the Agency's right to carry out DIV is a continuing right."

Possible Military Dimensions

14. (SBU) Regarding issues related to "possible military dimensions" (PMD), the report indicates that the IAEA continues to assess the information provided to it by Iran and Member States, but notes that no substantive progress has been made on the "alleged studies" issues because the lack of Iran's cooperation. The report states that it is essential that Iran "provide the information and access necessary to: resolve questions related to the alleged studies; provide more information on the circumstances of the acquisition of the uranium metal document; clarify procurement R&D activities of military related institutes and companies that could be nuclear related; and clarify the production of nuclear equipment and components by companies belonging to defense industries."

Comment

15. (C) Given the status quo nature of the DG's report on Iran, Mission does not see it as a strong basis for re-engaging the P5 1 on a further Board resolution on Iran. On a positive note, Mission notes the absence of language in the report similar to recent report and IAEA technical briefings that emphasized a need for additional information-sharing with Iran, such as sharing of "original" documentation related to possible military dimensions. We and other like-minded Member States should draw special

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attention to Iran's refusal to reject the IAEA's request to conduct the Heavy Water Research Reactor DIV (based on Iran's suspension of Code 3.1) and the fact that the IAEA is unable to perform its duties with regard to PMD because of lack of cooperation from Iran. Iran is likely to call attention to the short, technical update nature of the report, citing the Agency's continued ability to verify the non-diversion of declared nuclear material. While some may characterize a de facto "freeze" by Iran in the number of centrifuges operating on UF6, the continuing installation of centrifuges undercuts that argument.

SCHULTE